

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

FIRST-CLASS MAIL AND PERIODICALS
SERVICE STANDARD CHANGES, 2021

Docket No. N2021-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE WITNESS ROBERT
CINTRON TO NATIONAL POSTAL POLICY COUNCIL INTERROGATORIES
(NPPC/USPS-T1-1-6)
(May 26, 2021)**

The United States Postal Service hereby provides its responses to the National Postal Policy Council's Interrogatories to United States Postal Service Witness Cintron, issued on May 19, 2021.¹ Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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¹ The Postal Service believes that NPPC has exceeded the limit on interrogatories set forth in Rule 3020.117(a), pursuant to federal case law adopted by the Commission. Order No. 2080, Order Adopting Amended Rules of Procedure for Nature of Service Proceedings under 39 U.S.C. 3661 (May 20, 2014), at 44. Nevertheless, the Postal Service has chosen to respond to these interrogatories in lieu of filing a motion to be excused from doing so on numerosity grounds. The Postal Service's choice to accommodate NPPC in this specific instance should not be construed as a waiver of the Postal Service's right to seek excusal from any further interrogatories by NPPC on numerosity or other grounds, or from any arguably excessive interrogatories by any other party in any other instance.

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS CINTRON TO
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NPPC/USPS-T1-1: Please refer to page 6, lines 14-16 of your testimony, in which you state that the Postal Service adopted its current market-dominant service standards for First-Class Mail in 2012. Please list any changes the Postal Service has made to its business rules governing First-Class Mail service from 2012 to the present.

RESPONSE:

Please refer to Title 39, Part 121.1. This section provides the business rules from 2012 to January 2015, and the changes implemented in January 2015 that are currently in place. Please see also 77 Fed. Reg. 31196 (May 25, 2012); 79 Fed. Reg. 4080 (Jan. 24, 2014); 79 Fed. Reg. 44701 (Aug. 1, 2014).

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NPPC/USPS-T1-2: The Postal Service today has less volume than in 2012, after adoption of the current service standards. While an inability to meet service standards if volume had doubled since then might be understandable, please explain why the Postal Service cannot meet the current standards despite having less volume than in 2012?

RESPONSE:

There are various factors influencing service performance with respect to the Postal Service's current service standards, including: machine capability and capacity, network issues, staffing issues, and employee error. Although volume of First-Class Mail is declining, volume can still be a contributing factor at times, in particular if a large mailing is entered that overwhelms the current capacity of an operation. The significant increase in package volume has contributed to the challenges in mail processing that impact First-Class Mail service performance. Resources are shifted to heaviest volumes to attempt to clear volumes in accordance with the operating plan. When the operating plans are not able to be achieved, dispatches are held, or volumes are missed. When dispatches are held at origin, the volume on the trip is put at risk to make transfers and / or meet the destination sites' critical entry times. Adding time to the transportation window will better enable sites to dispatch all volumes on designated dispatches of value. The added time will add buffers to transfer windows to better absorb transportation delays.

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NPPC/USPS-T1-3: Is the Postal Service's network today (i.e., prior to implementation of the changes contemplated in this proceeding) optimized for any particular volume of First-Class Mail or total mail? Please explain.

RESPONSE:

The current network is not optimized for any particular volume.

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NPPC/USPS-T1-4: For what volume of First-Class Mail would the Postal Service's network be optimized after implementation of the changes contemplated in this proceeding? Please explain.

RESPONSE:

The Postal Service's network will not be optimized for any particular volume of First-Class Mail. The Transportation Modeling software optimizes transportation for all products included in the model. The team involved with implementing transportation changes supporting the proposed service standards will consider both the output of the model and existing transportation lanes that align with the future network requirements. Changes implemented will be prioritized based on opportunity for cost savings and service improvements.

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NPPC/USPS-T1-5: Please refer to page 28, line 18, through page 29, line 9 of your testimony. Please describe what you mean by “Merging these two [the First-Class Mail and the NDC] parallel networks,” how will they be merged, and how they will be distinct.

RESPONSE:

The vision, as described on page 29 of the 10-year plan, is to transition the NDCs into RDCs, dedicated to package processing. Marketing Mail and Periodicals will be shifted to the P&DCs, where those volumes will be transported via the plant-to-plant STC network. The NDC to NDC network will not exist, as it does today, and will become part of the plant-to-plant STC network.

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NPPC/USPS-T1-6: Please refer to page 31, footnote 21 of your testimony. What proportion of remittance mail will be affected by the change to transport remittance volumes together with all other First-Class Mail?

RESPONSE:

Remittance volume is currently assigned to surface and air transportation separately from other First-Class Mail. The proposal would shift a portion of this volume to surface where the mode matrix for remittance does not match the mode of other First-Class Mail. 15 percent of remittance volumes are in lanes currently assigned to air transportation while other First-Class Mail, in those same lanes, are transported by surface. This 15 percent of volume will shift to surface to match the First-Class Mail mode. Of the 15 percent of remittance volume currently assigned to air that will shift to surface to match the First-Class Mail mode matrix, 47 percent of it would be impacted by the service standard change.